



EXPERIENCE | Transportation



Logistics Park Calumet Roadway Planning Summit



THE NEW NORTHWEST PASSAGE



“From the Heart of the Middle Kingdom to the Heartland of America - North America’s newest Transportation Gateway”

The Calumet Gateway – The Heart of Harvey



East 167th and Center Streets in Harvey, Illinois

Prince Rupert – Deepest Harbor in North America



Fairview Container Terminal – Prince Rupert



Fairview Container Terminal Facts

► Phase I:

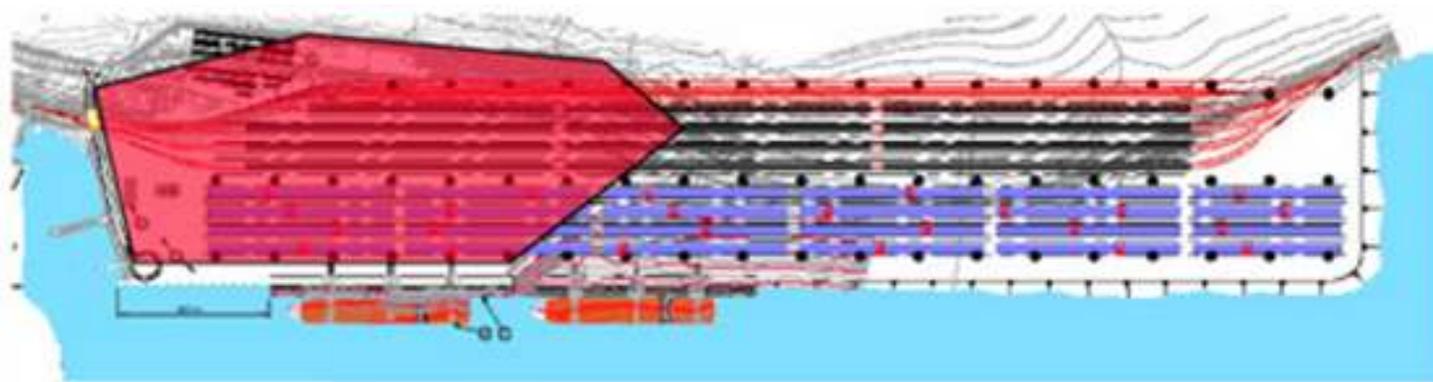
- Covers 59.4 acres
- Design capacity of 500,000 TEU's per year (= Seagirt)
- First vessel arrived October 31, 2007



Fairview Container Terminal Facts

► Phase II:

- Adds 80 acres of working area adjacent to original 59 for a total of 139 acres
- Quadruple overall design capacity to 2 million TEU's annually
- Scheduled for completion in 2014



The Port of Prince Rupert Today

- ▶ In 2010, the Fairview Terminal handled almost 344,000 TEU's, a 29.5% increase over 2009.
- ▶ A leading trade publication ranked Prince Rupert as the **fastest growing container port in North America.**
- ▶ *According to JOC, “the combination of price and service at Prince Rupert has attracted a small but growing following in the shipper community.”*



The Players on the Water

- ▶ The sole carrier using the Fairview Container Terminal is the “CKYH Alliance”, an integrated shipping consortium consisting primarily of COSCO and Hanjin, along with K-Line and Yang Ming.
- ▶ China Ocean Shipping (Group) Company, commonly referred to as COSCO or COSCO Group, is the government-owned flag carrier of the People’s Republic of China.
- ▶ Hanjin Shipping Company Ltd. is the Republic of Korea’s largest container carrier (COSCO + Hanjin = 7% share).



Recent Developments



- ▶ On April 21st, COSCO Group and Hanjin Shipping announced two new schedules at Prince Rupert (for a total of four per week).
- ▶ COSCO will now offer direct westbound service from Prince Rupert to China, as part of their South China Express Service.
- ▶ Hanjin will now offer direct service from Busan, Korea to Prince Rupert, perhaps in anticipation of the Korean US Free Trade Agreement.

The Players on the Water (and Ashore)

- ▶ COSCO Logistics (America) operates a 60,000 sq. ft. warehouse in Bedford Park, and owns drayage carrier Intermodal Bridge Transport (IBT).
- ▶ COSCO Logistics worldwide operates about 31.9 million square feet of warehouse space.
- ▶ Hanjin Logistics, Inc. recently opened a 220,000 sq. ft. warehouse in Elwood, Illinois, in addition to 800,000 sq. ft. of space across three buildings in Bensenville.



The Prince Rupert Advantage on the Water



58 Hours Quicker and 1,160 Nautical Miles Shorter than LA/LB

The Prince Rupert Advantage Ashore

Southern California Port Fees

- ▶ US Harbor Maintenance Fee
- ▶ Alameda Corridor Charge
- ▶ Clean Truck Fee
- ▶ Infrastructure Fee
- ▶ Pier Pass

Prince Rupert Port Fees

- ▶ Almost **\$400** per container LESS than Southern California (according to **UPS** Logistics).
- ▶ Shippers will change ports for as little as \$50 per box cost reduction.

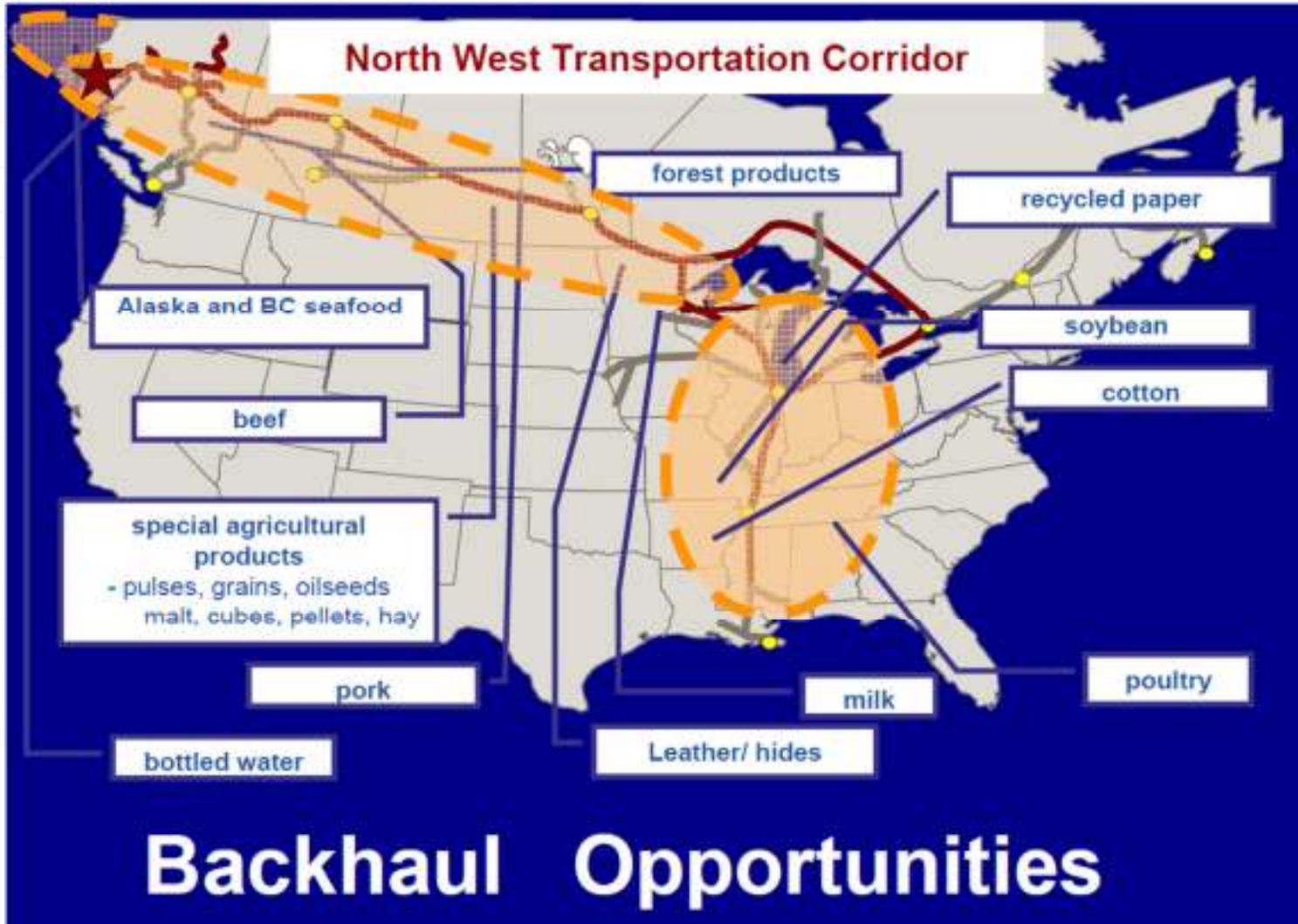


The Shanghai to Chicago Express



Port of Prince Rupert to Chicago (Harvey) in 100 Hours via CN

Export Opportunities Abound (COSCO)

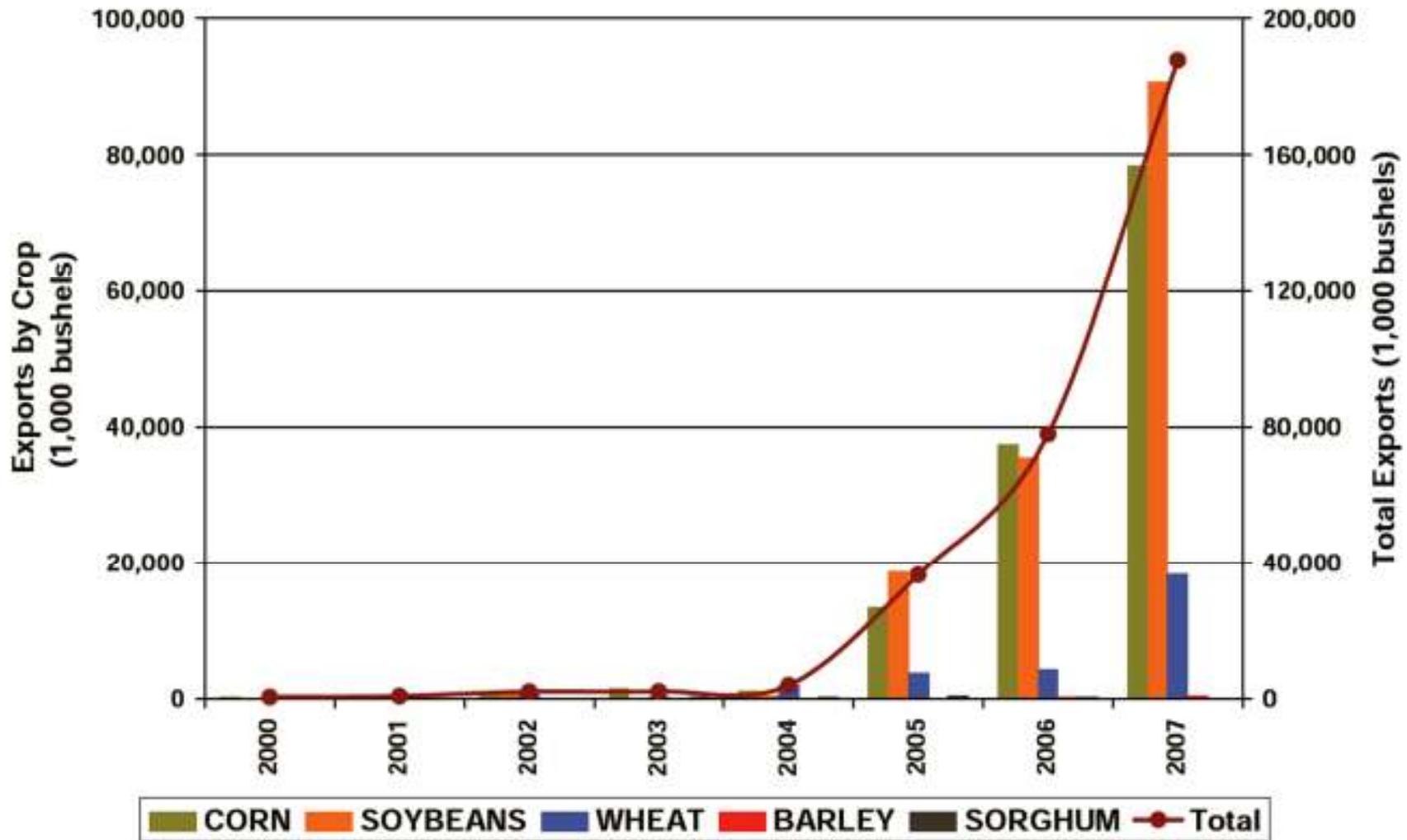


Helping Connect Indiana With the World

- ▶ In the last 10 years exports of wood products originating from Indiana have grown by 50%.
- ▶ Indiana red oak is now the most popular hardwood sold in China.
- ▶ **Direct** rail carload connections from southern Indiana via Indiana Rail Road, CSXT and CN, to transload terminals in Logistics Park Calumet can help speed Hoosier exports to Asia.



U.S. Containerized Grain and Oilseed Exports



LPC Export Strategy Consistent With NEI Policy

REPORT TO THE PRESIDENT ON THE NATIONAL EXPORT INITIATIVE:

The Export Promotion Cabinet's Plan for Doubling U.S. Exports in Five Years



Washington, D.C.
September 2010

I. THE NEI IN CONTEXT

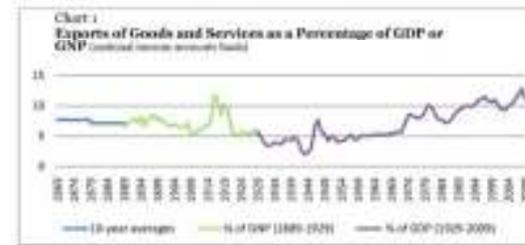
Global market trends hold great potential for U.S. exports, with fast-growing emerging markets driving new demand for U.S. goods and services. Key markets like China, India, and Brazil, and several smaller emerging markets are growing most rapidly, yet traditional trading partners like the European Union and U.S. Free Trade Agreement (FTA) partners, particularly Canada and Mexico, remain important to the vast majority of U.S. exporters. Multilateral, regional, and bilateral trade agreements are critical to improving U.S. competitiveness in these markets.

All major sectors of the U.S. economy depend on exporting, yet certain key sectors, especially those with market-leading technologies, have the greatest potential to significantly increase exports. Certain domestic regulatory and infrastructure issues that affect the ability of U.S. companies to export, such as export controls, business visas, transportation and supply chain infrastructure, and patent backlogs, are also being addressed by policy forums outside the scope of this Report, and thus receive minimal treatment here.

To provide a context for the National Export Initiative (NEI), the Export Promotion Cabinet examines here the role of exports in the U.S. economy, the international climate for exports, and the Government's role in export promotion. For a broader examination of overall trade policy, see the President's 2010 Trade Policy Agenda.¹

1. The importance of exporting continues to grow. Exports will play a vital role in increasing employment and creating strong, sustainable economic growth.

In 2008, U.S. exports represented record levels of GDP (14.7 percent) and the greatest share of employment on record (6.0 percent of fully employed workers).² Not since the beginning of World War I had exports accounted for a level of GDP this high (Chart 1), and 2008 marked the high point of a 70-year trend that began in the early 1930s.³



Report to the President on the National Export Initiative

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Specific NEI Recommendations for LPC

- ▶ *Improvements in the U.S. transportation and supply chain **infrastructure** are **critical** to enabling exporters from all 50 states to get their goods to ports quickly and inexpensively.*
- ▶ *Maintaining a globally competitive, user-focused U.S. supply chain **infrastructure** is **critical** to the success of the NEI and to sustained American economic growth.*
- ▶ *The Departments of Commerce and Transportation have entered into a Memorandum of Understanding...to foster end-to-end U.S. freight **infrastructure** improvements that facilitate the movement of goods for export and domestic use.*

Oh Canada!

- ▶ Five years ago our clever neighbors to the North already had this figured out.
- ▶ The Canadian government established the **Asia-Pacific Gateway and Corridor Initiative**.
- ▶ “The **Initiative** is designed to capitalize on Canada’s considerable advantages in transportation and geography, and its historic position as a springboard to foreign markets.”
- ▶ www.pacificgateway.gc.ca



The China Connection – *Chicago Style*



- ▶ ***“We in Chicago, we in the region, we in the Midwest want to act as a gateway for Chinese business investment into America, and at the same time we want to make sure that our businesses are a gateway into China.”***
- ▶ ***“The Chinese government will continue to encourage our companies to do business and make investments here.”***

The Kane County China Connection

- ▶ **Wanxiang America Real Estate Group LLC, founded in 2010 to acquire and develop U.S. commercial real estate.**
- ▶ **Received a visit from Chinese President Hu Jintao at their Elgin, IL headquarters in January 2011.**
- ▶ **Subsidiary of Wanxiang Group, China's second largest privately-held company, with worldwide real estate holdings of about \$2 billion.**



REGIONAL DEVELOPMENT OPPORTUNITIES

► Focus on Four Types of Property

- Brownfield sites undergoing assessment and/or remediation (via 2010 SSMMA EPA Grant).
- Existing vacant buildings, for either reuse or demolition (primarily in Harvey and Phoenix).
- Existing vacant land in useable condition.
- Renovation and expansion of existing, occupied freight-related buildings and structures (primarily in South Holland).

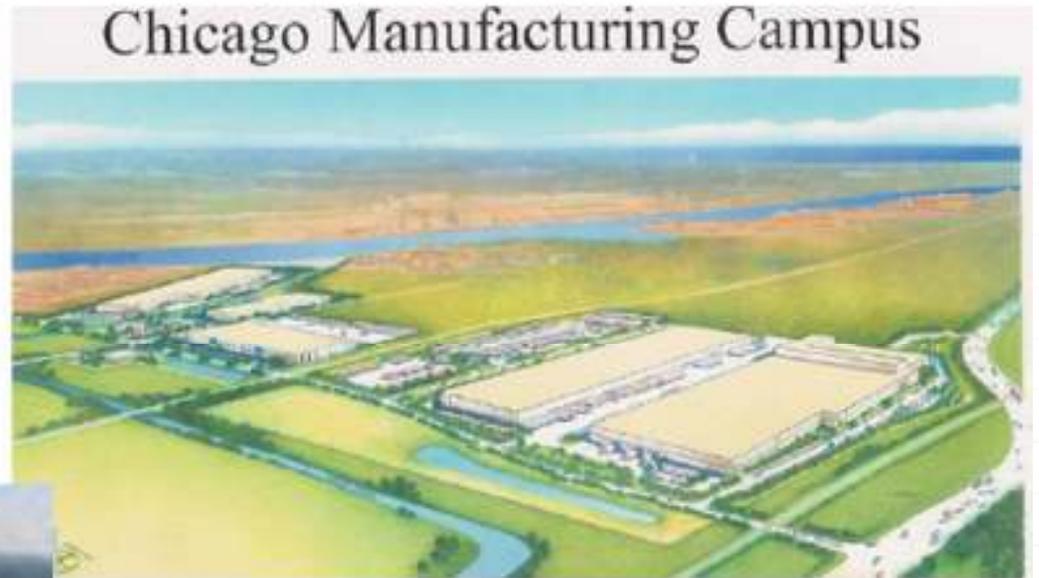
DEVELOPMENT OPPORTUNITIES = JOBS

- ▶ PLUS several hundred acres owned by Canadian National Railway available for redevelopment (primarily in East Hazel Crest and Homewood).
- ▶ *With a 3-mile radius of CN's Harvey Intermodal Terminal a **regional** potential of 900 to 1,000 acres of developable and/or redevelopable property.*
- ▶ *Translates into a **regional** potential of several thousand direct warehouse, trucking and rail intermodal jobs plus related construction jobs.*

The Classic Rust Belt Brownfield (2001)



Today Ford Recycles Brownfields for the Future



Transforming Torrance Avenue (and Center?)



Maybe McCook is the Model for the Southland



CN Chicago Logistics Park (Proposed)



“A Unique Logistics Opportunity to Connect the Midwest”

“CN’s Newest Inland Gateway”



- ▶ *Total warehousing footprint of over 2.5 million square feet.*
- ▶ *Adjacent to CN Terminal.*
- ▶ *Designated Foreign Trade Zone.*
- ▶ *A few minutes to major highways including I-80, I-294, and I-57.*
- ▶ *Under development with projected opening in 2014.*

EXISTING TRUCK TRAFFIC GENERATORS



- ▶ CN Intermodal Terminal, Harvey.
- ▶ Union Pacific Intermodal Terminal, Dolton.
- ▶ Fore Transportation terminal and general offices, Harvey.
- ▶ South Holland Industrial Park, South Holland.



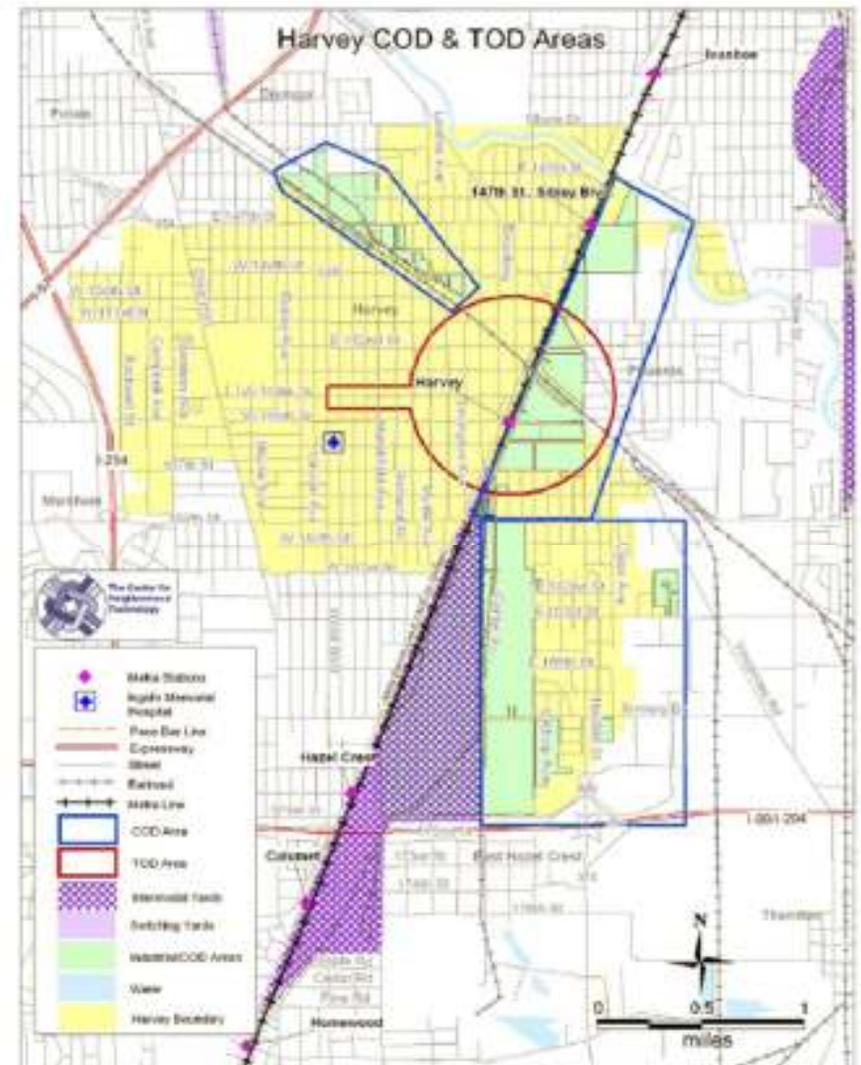
FUTURE AREA TRUCK TRAFFIC GENERATORS

- ▶ CN Intermodal Terminal, Harvey.
- ▶ CN Chicago Logistics Park, East Hazel Crest and Homewood.
- ▶ US Customs Service Centralized Examination Station (CES), Fore Transportation Terminal, Harvey.
- ▶ Foreign Trade Zone #22 - LPC Sub-Zone (400 regional acres to be defined).



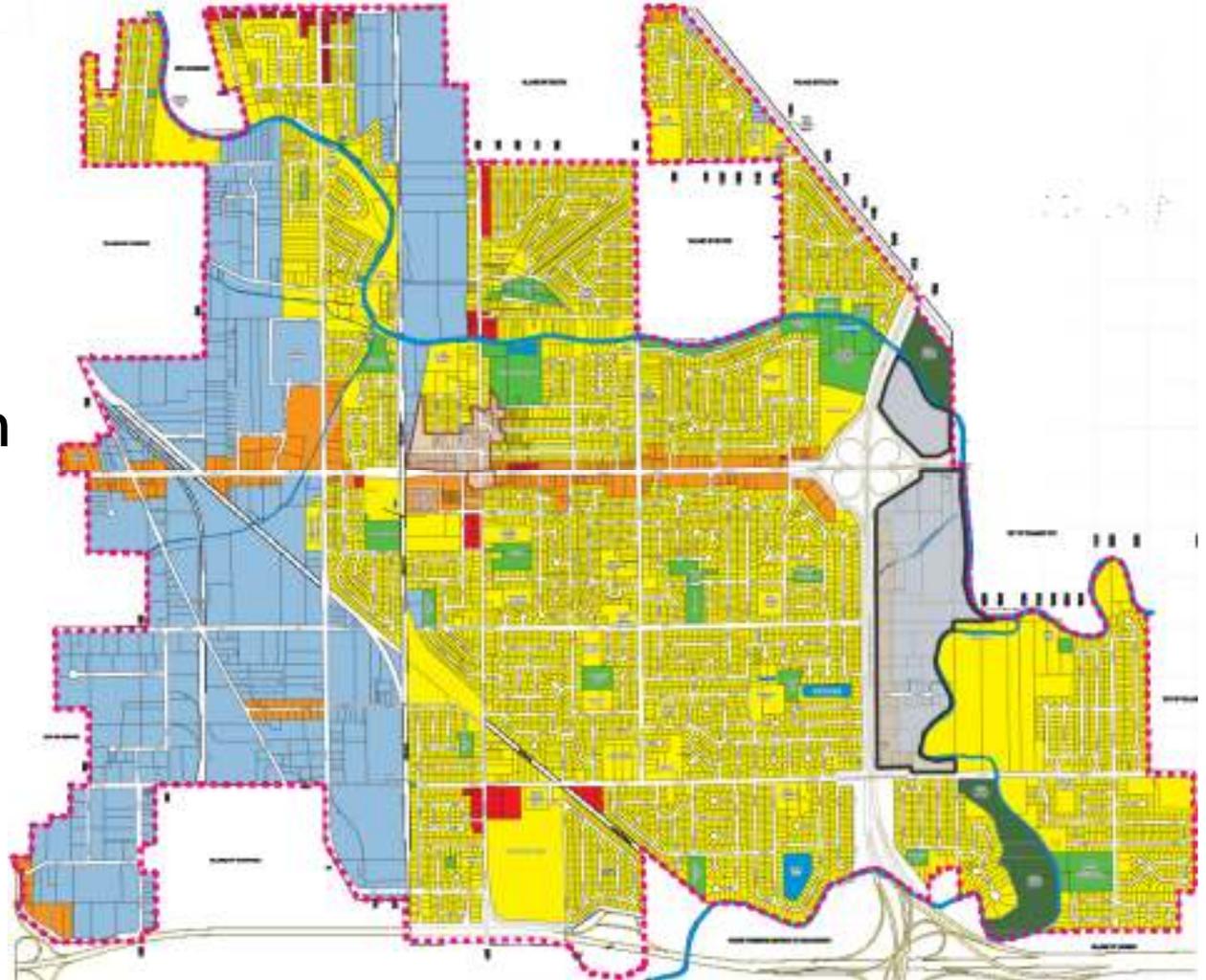
FUTURE AREA TRUCK TRAFFIC GENERATORS

- ▶ **Harvey South Industrial District, Harvey** (along Center Street).
- ▶ **Harvey Northeast Industrial District, Harvey and Phoenix.**
- ▶ **Harvey Northwest Industrial District, Harvey and Dixmoor.**



FUTURE AREA TRUCK TRAFFIC GENERATORS

- ▶ **Village of South Holland Industrial Zone** (west of UP mainline and south of Little Calumet River, shown here in blue).



Proposed CM2020 South Suburban Freight Centers



- ▶ According to Chicago Metropolis 2020 the south suburbs account for **one quarter** of the region's economic activity in the Motor Freight industry.
- ▶ *“The proposed freight centers present a **unique opportunity** to build upon that area's historic freight-oriented economy, major transportation facilities and readily available workforce.”*

The Pebble in the Pond

► **The ripple effect from this growth will spread like the proverbial pebble dropped in the pond to nearby industrial parks in:**

► **Sauk Village (via I-80 and Illinois Route 394)**

► **Crete (via Illinois Route 394)**

► **University Park (via I-57)**

► **Chicago Heights (via Illinois Route 1)**

► **Tinley Park (via I-80)**

► **Alsip (via I-80 or I-294)**

Now It's Your Turn...

- ▶ The **Vision** is to transform a 20th Century Rust Belt Region into a 21st Century Crossroads for International Trade and Commerce.
- ▶ To recognize this **dream** the Southland needs a 21st Century logistics infrastructure.
- ▶ Logistics Park Chicago (in Elwood, Illinois) required 10 miles of new roadway, a rail grade separation and a new \$70 million I-55 interchange to be constructed.
- ▶ Even though many southern suburbs are in economic decline, they are rich in transportation and industrial assets.

The Good News

- ▶ The CN Intermodal Terminal and Logistics Park Calumet sit adjacent to America's great transcontinental highway Interstate 80.
- ▶ The ISTHA recently completed rebuilding I-80 and I-294 across southern Cook County, including the Illinois Route One interchange in Harvey (we all appreciate the continued support of ISTHA Executive Director Lafleur).
- ▶ I 59th Street Roadway Reconstruction Project in Harvey (with an ARRA grant).
- ▶ I 59th Street Viaduct Reconstruction Project in Harvey.

More Good News

- ▶ Canadian National has announced plans to invest \$20 million in its Harvey Intermodal Terminal, to increase capacity from 350,000 container lifts annually to 1.2 million lifts by 2015.
- ▶ Metra Electric District trains operate through the region, with stops at 147th Street (Sibley), Harvey, Hazel Crest and Calumet; plus 160 new Highliner passenger cars on order (and Metra's new SouthEast Service Route).
- ▶ Logistics Park Calumet is well-served with a dozen Pace bus routes and the Pace Harvey Transportation Center.

Our Collective Challenge

- ▶ Increased economic development will bring new jobs to an area with historically high unemployment, as well as substantially increased commercial truck traffic.
- ▶ Center and I 67th Streets in Harvey are both FHWA Intermodal Connectors and part of the National Highway System; their current condition has been called “a national disgrace” (*Center as the Centerpiece*).
- ▶ Compared with other regional logistics developments, relatively modest infrastructure investments in the Southland will pay enormous dividends to the entire region.

Critical Next Steps

- ▶ The key missing links in today's supply chain are 167th and Center Streets in Harvey; these are also the most critical.
- ▶ SSMMA study project team and TranSystems staff prepared a list of two dozen suggested short-term roadway improvement projects (to be handed out).
- ▶ With this kind of aggressive growth potential long-range planning will be critical; current plans (CMAP, MPC, et al) all “missed the boat” here and need to be updated sooner rather than later (TranSystems can assist with detailed volume projections from our study).

The Southland's Rendezvous With Destiny

The Chinese say the best way to predict the future – is to create it!



LOGISTICS PARK

CALUMET

*Linking a World of Hope
and Opportunity*

